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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-071, C-570-072]

Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Antidumping Duty and Countervailing Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing antidumping duty (AD) and countervailing duty (CVD) orders on sodium gluconate, gluconic acid, and derivative products (GNA Products) from the People's Republic of China (China).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Magd Zalok (AD) at (202) 482-4162 or Robert Galantucci (CVD) at (202) 482-2923, AD/CVD Operations, Office IV, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 705(d) and 735(d) of the Tariff Act of 1930, as amended (the Act), on September 21, 2018, Commerce published its affirmative final determination of sales at less than fair value (LTFV) and its affirmative final determination that countervailable subsidies are being provided to producers and exporters of GNA Products from China.<sup>1</sup> On October 31,

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<sup>1</sup> See *Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 83 FR 47876 (September 21, 2018) (*AD Final Determination*); *Sodium Gluconate, Gluconic Acid and Derivative Products from the People's Republic of China:*

2018, the ITC notified Commerce of its final affirmative determination that an industry in the United States is materially injured by reason of LTFV imports and subsidized imports of GNA Products from China, within the meaning of sections 705(b)(1)(A)(i) and 735(b)(1)(A)(i) of the Act.<sup>2</sup>

### Scope of the Orders

The scope of the orders covers all grades of sodium gluconate, gluconic acid, liquid gluconate, and glucono delta lactone (GDL) (collectively GNA Products), regardless of physical form (including, but not limited to substrates; solutions; dry granular form or powders, regardless of particle size; or as a slurry). The scope also includes GNA Products that have been blended or are in solution with other product(s) where the resulting mix contains 35 percent or more of sodium gluconate, gluconic acid, liquid gluconate, and/or GDL by dry weight.

Sodium gluconate has a molecular formula of  $\text{NaC}_6\text{H}_{11}\text{O}_7$ . Sodium gluconate has a Chemical Abstract Service (CAS) registry number of 527-07-1, and can also be called “sodium salt of gluconic acid” and/or sodium 2, 3, 4, 5, 6 pentahydroxyhexanoate. Gluconic acid has a molecular formula of  $\text{C}_6\text{H}_{12}\text{O}_7$ . Gluconic acid has a CAS registry number of 526-95-4, and can also be called 2, 3, 4, 5, 6 pentahydroxycaproic acid. Liquid gluconate is a blend consisting only of gluconic acid and sodium gluconate in an aqueous solution. Liquid gluconate has CAS registry numbers of 527-07-1, 526-95-4, and 7732-18-5, and can also be called 2, 3, 4, 5, 6-pentahydroxycaproic acid-hexanoate. GDL has a molecular formula of  $\text{C}_6\text{H}_{10}\text{O}_6$ . GDL has a CAS registry number of 90-80-2, and can also be called d-glucono-1,5-lactone.

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*Final Affirmative Countervailing Duty Determination*, 83 FR 47879 (September 21, 2018) (*CVD Final Determination*).

<sup>2</sup> See Letter to Honorable Gary Taverman, Acting Assistant Secretary of Commerce for Enforcement and Compliance, from David S. Johanson, Chairman of the U.S. International Trade Commission, regarding antidumping and countervailing duty investigations concerning imports of Sodium Gluconate, Gluconic Acid, and Derivative Products from the People’s Republic of China (Investigation Nos. 701-TA-590 and 731-TA-1397(Final)), dated October 31, 2018 (ITC Letter).

The merchandise covered by the scope of the orders is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 2918.16.1000, 2918.16.5010, and 2932.20.5020. Merchandise covered by the scope may also enter under HTSUS subheadings 2918.16.5050, 3824.99.2890, and 3824.99.9295. Although the HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

#### Antidumping Duty Order

In accordance with section 735(d) of the Act, the ITC has notified Commerce of its final determination that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(i) of the Act by reason of imports of GNA Products that are sold in the United States at LTFV. Therefore, in accordance with section 735(c)(2) of the Act, we are publishing this antidumping duty order. Because the ITC determined that imports of GNA Products from China are materially injuring a U.S. industry, unliquidated entries of such merchandise from China, entered or withdrawn from warehouse for consumption, are subject to the assessment of antidumping duties.

In accordance with section 736(a)(1) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise, for all relevant entries of GNA Products from China. Antidumping duties will be assessed on unliquidated entries of GNA Products from China entered, or withdrawn from warehouse, for consumption on or after July 10, 2018, the date of publication of the *AD Preliminary Determination*.<sup>3</sup>

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<sup>3</sup> See *Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 83 FR 31949 (July 10, 2018).

### Continuation of Suspension of Liquidation (AD)

In accordance with section 735(c)(1)(B) of the Act, we will instruct CBP to continue to suspend liquidation on entries of subject merchandise from China. These instructions suspending liquidation will remain in effect until further notice.

We will also instruct CBP to require cash deposits equal to the amount indicated below. Accordingly, effective on the date of publication of the ITC's final affirmative injury determination, CBP will require, at the same time as importers would normally deposit estimated duties on this subject merchandise, a cash deposit equal to the estimated weighted-average dumping margins listed below. Commerce has made no adjustments to the antidumping cash deposit rate because Commerce has made no findings in the countervailing duty investigation that any of the programs are export subsidies.<sup>4</sup>

### Estimated Weighted-Average Antidumping Duty Margin

The weighted-average antidumping duty margin is as follows:

<b>Exporter</b>	<b>Producer</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Anhui Xingzhou Medicine Food Co., Ltd.	Xiwang Pharmaceutical Co., Ltd.	213.15
Anhui Xingzhou Medicine Food Co., Ltd.	Zhucheng Shuguang Biotech Co., Ltd.	213.15
China-wide Entity <sup>5</sup>		213.15

<sup>4</sup> See *AD Final Determination*, 83 FR at 47878.

<sup>5</sup> The China-wide Entity includes Dezhou Huiyang Biotechnology Co., Ltd., Qingdao Dongxiao Enterprise Co., Ltd., Shandong Fuyang Biotechnology Co., Ltd./Shandong Fuyang Biology Starch Co., Ltd., and Zhejiang Tianyi Food Additives Co., Ltd.

### Countervailing Duty Order

In accordance with section 705(d) of the Act, the ITC notified Commerce of its final determination that the industry in the United States producing GNA Products is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act by reason of subsidized imports of GNA Products from China.<sup>6</sup> Therefore, in accordance with section 705(c)(2) of the Act, we are publishing this countervailing duty order. Because the ITC determined that imports of GNA Products from China are materially injuring a U.S. industry, unliquidated entries of such merchandise from China, entered or withdrawn from warehouse for consumption, are subject to assessment of countervailing duties.

Commerce directed CBP to assess, upon further instruction by Commerce, countervailing duties on unliquidated entries of GNA Products entered, or withdrawn from warehouse, for consumption on or after May 23, 2018, the date of publication of the *CVD Preliminary Determination*.<sup>7</sup> However, section 703(d) of the Act states that the suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than 120 days. Therefore, we instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of GNA Products from China entered, or withdrawn from warehouse, for consumption, on or after September 20, 2018, until and through the day preceding the date of publication of the ITC's final injury determination in the *Federal Register*.

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<sup>6</sup> See ITC Letter.

<sup>7</sup> See *Sodium Gluconate, Gluconic Acid, and Derivative Products from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 83 FR 23888 (May 23, 2018).

### Suspension of Liquidation (CVD)

In accordance with section 706 of the Act, Commerce will instruct CBP to suspend liquidation on all entries of GNA Products from China, as further described below. These instructions suspending liquidation will remain in effect until further notice. Commerce will also instruct CBP to require cash deposits equal to the amounts as indicated below. Accordingly, effective on the date of publication of the ITC's final affirmative injury determination, CBP will require, at the same time as importers would normally deposit estimated duties on this subject merchandise, a cash deposit equal to the subsidy rates listed below. The all-others rate applies to all producers or exporters not specifically listed below, as appropriate.

<b>Exporter/Producer</b>	<b>Subsidy Rate (Percent)</b>
Qingdao Dongxiao Enterprise Co., Ltd.	194.67
Shandong Fuyang Biotechnology Co.	194.67
Shandong Kaisen Biochemical Co Ltd.	194.67
Tongxiang Hongyu Chemical Co., Ltd.	194.67
All-Others	194.67

### Notification to Interested Parties

This notice constitutes the AD and CVD orders with respect to GNA Products from China pursuant to sections 736(a) and 706(a) of the Act. Interested parties can find an updated list of orders currently in effect by either visiting <http://enforcement.trade.gov/stats/iastats1.html>.

These orders are published in accordance with sections 706(a), 736(a), and 19 CFR 351.211(b).

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Gary Taverman  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.

November 2, 2018

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Date  
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